PRESS RELEASE
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Uppsala, Sweden

DEFLUX LONG-TERM DATA PUBLISHED

- **Long-term data from a study at the University Hospital of Uppsala in Sweden concerning Q-Med's product DEFLUX have been published in the American scientific journal "Journal of Urology".**

- **Göran Läckgren, one of the two doctors with overall responsibility for the study, says, "Data from the study show that in 8 out of 10 cases DEFLUX cures the patient or results in great improvement so that no further interventions are necessary."**

A study has been carried out at the University Hospital of Uppsala on 220 patients in order to measure the long-term effect and the safety of the product DEFLUX for treatment of vesicoureteral reflux (VUR, reflux) in children. Data show that DEFLUX cures the patient in almost 70% of the cases and that a further 10% are greatly improved. These study results have now been published in volume 166 in the November issue of the American "Journal of Urology".

Please note that in the USA Q-Med operates under the name of Q-Med Scandinavia, Inc.

Vesicoureteral reflux

Vesicoureteral reflux occurs in approximately one percent of all children. In these children the valve function that prevents urine from running back from the urinary bladder up towards the kidneys does not work. Reflux is usually discovered upon examination of children who have had serious urinary tract infections, and reflux occurs in approximately 50% of these children. The combination of a urinary tract infection and reflux can result in scarring of the kidneys and in a few isolated cases can even lead to irreversible kidney damage. Reflux is classified from level I to level V, from mild to serious, and the less serious levels of reflux usually disappear as the children grow older but during the years where there is still a problem some form of treatment is necessary. The alternatives available today are long-term treatment with antibiotics (often for several years), endoscopic injection treatment using tissue-strengthening material (e.g. DEFLUX), or surgery.

DEFLUX

DEFLUX consists of Q-Med's so-called NASHA (Non-Animal Stabilized Hyaluronic Acid) mixed together with "sugar beads", dextranomer. The latter gives the product a long-term effect for a period of several years. The combination of dextranomer and hyaluronic acid has many advantages. Both substances are natural, have no immunogenic properties and are not associated with migration to other organs.

DEFLUX is injected into the wall of the urinary bladder using "keyhole surgery" or endoscopic treatment, in order to create a slightly raised area at the opening of the ureter. This prevents the urine from running back from the urinary bladder. The treatment is fast

and effective. The child is given a general anesthetic and the treatment is over within a few minutes.

DEFLUX is approved for treatment of VUR in Europe and in the US. In the US, DEFLUX is indicated for treatment of VUR grade II to grade IV.

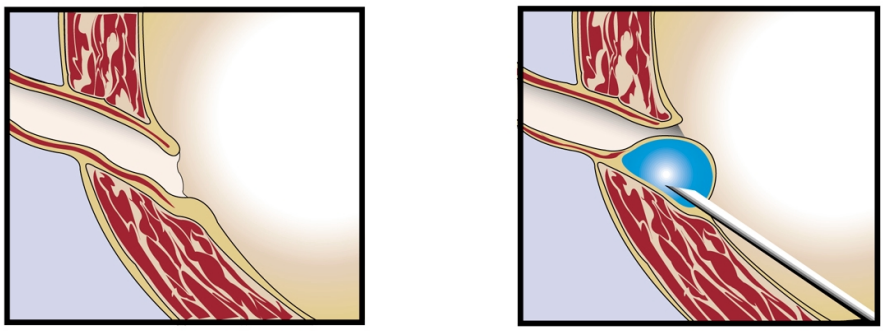
The study

Two pediatric urologists at the University Hospital of Uppsala, Göran Läckgren and Arne Stenberg, have performed a study using DEFLUX over a period of up to 7.5 years in total (5 years of follow-up on average). Over 220 children between the ages of 1 and 15 (mean age 4.7 years) were treated with DEFLUX 1.3 times on average and were followed up for 2 - 7.5 years. At the most recent 1-year follow-up 68% were cured and a further 13% had improved greatly, that is a total of 81% of the children needed no further treatment. The cure rate of 49 children was determined through complete clinical testing and the cure rate of the remaining patients was determined through accepted clinical practice methods. The children have been followed up until the present day, that is 7.5 years after treatment, and there has been a lasting effect. "For a product which is based on a biological, natural substance these long-term results are quite unique. Previously there has been uncertainty about the long-term effect of biological preparations but now we have shown that DEFLUX has a lasting effect," says Göran Läckgren.

Läckgren goes on to say "The children in the study suffered from level III-V reflux, which means that several patients had more serious reflux than the levels II-IV for which DEFLUX is normally used. In spite of this there were only 27 children (12%) who needed to undergo major surgery due to persisting high level reflux."

The doctors participating in the study at the University Hospital have worked together with Q-Med for a long time to develop DEFLUX and to adapt it according to existing needs regarding results and safety. The collaboration started when the doctors contacted Q-Med and expressed the need for a substance with a high safety profile and a long-term effect. The form of treatment had been in existence for a long time, but the doctors were not happy with the available materials, which were based on Teflon and silicone, for example. The collaboration resulted in DEFLUX - a safe substance with a lasting effect. "During 7.5 years of using DEFLUX and treatment of more than 500 children we have not seen any serious side-effects. We are very happy with the safety of the product," says Göran Läckgren.

Pediatric urologists have the "Journal of Urology" as their official journal. This important journal is distributed to all American urologists and pediatric urologists and it also has an international circulation.



DEFLUX is injected into the wall of the urinary bladder in order to prevent urine running back into the kidneys.

The market

VUR occurs in approximately one percent of all children and about half of these need treatment of some kind. Based on birth statistics this indicates that approximately 40,000 new cases arise each year in Europe and almost as many in USA. DEFLUX is today sold in over 10 markets, principally in Europe. At the end of September this year DEFLUX was also approved by the FDA (Food and Drug Administration), the American regulatory authority. The long-term study which has now been published will be a very important tool in the launch of DEFLUX which has started in the USA.

The publication is to be released at the same time as the annual meeting for all American pediatricians is held, this year in San Francisco on October 20-25, where approximately 10 000 pediatricians will gather.

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Uppsala

Q-Med AB (publ)

Bengt Ågerup

President and CEO

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Q-Med is a rapidly growing and profitable biotechnology/medical device company that develops, produces and markets medical implants. All products are based on the company's patented technology for the production of NASHA - Non-Animal Stabilized Hyaluronic Acid. Q-Med's operations focus on the areas of Esthetics, Orthopedics, Uro-Gynecology, and Cell Therapy and Encapsulation. The products RESTYLANE, RESTYLANE Fine Lines and PERLANE are used for the filling out of lips and facial wrinkles. DUROLANE, for the treatment of osteoarthritis in the knee-joint, has been approved in Europe since May 2001. DEFLUX is a product which has been approved in Europe and the USA for the treatment of vesicoureteral reflux (malformation of the urinary bladder) in children. ZUIDEX for the treatment of stress urinary incontinence in women is estimated to be available in Europe at the beginning of 2002. Within Ixion Biotechnology, Inc., Q-Med carries out research within cell therapy for diabetes. Q-Med today has over 230 employees, with 170 at the company's head office in Uppsala, 20 at Ixion and the remainder in wholly owned foreign subsidiaries. The Q-Med share has been listed on the O-list of the OM Stockholm Stock Exchange.

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